

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE FUEL)	
PROCUREMENT PRACTICES OF)	CASE NO. 9631
KENTUCKY UTILITIES COMPANY)	

O R D E R

On December 29, 1986, Lieutenant Governor Steven L. Beshear, an intervenor in this case, filed a motion to clarify the Commission's July 10, 1986, Order or, in the alternative, to reconsider the assessment of costs for a consultant on ratepayers. The Lieutenant Governor alleges the Commission's Order to be unclear with respect to whether the Commission has already determined that ratepayers will pay for the consultant costs or whether the ratepayers' responsibility will be determined when the costs are ultimately sought to be recovered. He argues that this is significant because if Kentucky Utilities Company ("KU") is found to have acted imprudently, then the ratepayers should not bear the investigative costs.

The Commission, based on review of the Lieutenant Governor's motion and being advised, is of the opinion and finds that:

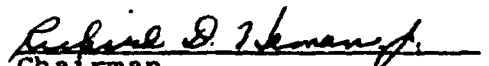
1. This case was established to investigate the fuel procurement practices of KU and to determine if KU's customers are entitled to refunds for previous overcharges that may have occurred.


2. Issues related to the regulatory treatment of specific expenses, such as the cost of a consultant, should be raised in KU's future rate cases.

IT IS THEREFORE ORDERED that the Lieutenant Governor's motion is denied.

Done at Frankfort, Kentucky, this 28th day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director